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Governmental Relations and Legislative Officer Elisia De Bord

County of Sacramento

May 6, 2024

The Honorable Anna Caballero, Chair Senate Appropriations Committee State Capitol, Room 2200 Sacramento, CA 95814

Re: SB 1372 (Newman). Airports: Third-Party Vendors: Security Lanes. Oppose (As Amended April 30, 2024)

Dear Senator Caballero:

On behalf of the Sacramento County Board of Supervisors, I respectfully write to oppose SB 1372, which will prohibit airports that do not have CLEAR today from inviting CLEAR into their airports after 2024. SB 1372 will freeze airport revenue growth as well as the growth of an employer within the state.

Airport security checkpoints are managed and controlled by the Transportation Security Administration (TSA), which includes staffing, configuration, and overall passenger screening processes. Airport authorities are allowed under federal law to contract with entities that have obtained approval from the TSA, including CLEAR, which screens airport passengers using biometrics. The process by which CLEAR customers are screened through the checkpoint is controlled by the TSA, not the airport. The overall intent is to make airline passenger security screening at airports faster.

In California, CLEAR operates at nine airports, **including Sacramento County's SMF,** providing revenue streams to each airport. In what are typically revenue-sharing agreements, CLEAR contributed \$13 million to airport finances in 2023 and has contributed almost \$50 million since its California launch in 2012. Moreover, in 2023 CLEAR paid \$20 million in California wages and is an economic contributor in the communities where they have an airport presence. SB 1372 will shut down a growing employer in the California economy, which appears counterproductive given the **State's challenging fiscal situation**.

<u>Airport Economic Requirements</u>. Commercial airports are required to be financially self-sufficient. Thus, airlines pay airport Rates & Charges for use of the airport. Rates & Charges will include landing fees, passenger ticket fees, and services such as parking, fueling, and deicing.

May 6, 2024 -2-

When airports have sources of non-airline revenue, it lowers the Rates & Charges paid by airlines, thus keeping airline operating costs lower, which can directly impact consumer airline ticket prices. Rental cars, concessions, advertising and CLEAR, are all sources of non-airline revenue.

Thank you for your consideration. Please feel free to contact me at (916) 874-4627 or <u>deborde@saccounty.gov</u>.

Sincerely,

Elisia De Bord Governmental Relations and Legislative Officer

cc: Hon. Josh Newman Sacramento County Delegation Sacramento County Board of Supervisors Audrey Ratajczak, Cruz Strategies Jim Lites, CAC